

REMARKS/ARGUMENTS

This Amendment is in response to the Office Action of October 4, 2005, in which the Examiner (1) objected to claims 1, 2, 22, 31 and 32 because of informalties, (2) rejected claims 1, 2, 4, 5, 9, 11-15, 17, 22-24 and 31-35 under 35 U.S.C. 103(a) as being unpatentable over U.S. Patent No. 6,543,809 ("**Kistner**") and (3) rejected claims 10, 25-30 under 35 U.S.C. 103(a) as being unpatentable over **Kistner** as modified by U.S. Patent No. 6,473,500 ("**Risafi**").

By the present Amendment, claims 1, 2, 22, 31 and 32 have been amended as required by the Examiner in order to more specifically name the "identifying elements" and "account identifiers" (e.g., they are now renamed as "first" and "second" identifying elements).

Also, independent claims 1, 5, 17, and 22 have been amended to clarify the subject matter thereof and thereby overcome the Examiner's rejection of the claims under 35 U.S.C. §103(a).

Applicant notes the Examiner's comment regarding the limitation "wherein the card carrier is constructed so that its identifying element is physically altered when the data card is removed" and the term "physically altered" as being overly broad. While Applicant does not agree with the Examiner's analysis and analogies (i.e., that these limitations might be met if a clerk "crumples and discards the carrier after registration" and that a magnetic stripe is "altered every time it is swiped"), Applicant has removed any possibility of ambiguity by the newly recited limitations. Thus, e.g., in claim 1, it is now recited that the identifying element is altered "at the time" the data card is removed from the carrier. In addition, it is recited that alteration is done so that the card carrier "is thereafter prevented from being used to conduct transactions."

Such limitations are clearly not disclosed or suggested by either **Kistner** or **Risafi**. Further, even if one were to accept the Examiner's analysis of a clerk "crumpling" a carrier and a magnetic strip being "altered" whenever swiped, the newly recited limitations clearly distinguish over such analogies.

Independent claims 5, 17 and 22 recite similar limitations and they (and all the dependent claim 2, 4, 9-15 and 23-29 that incorporate the same limitations) are likewise believed to be clearly distinguishable from the cited references.

Independent claim 31 recites the additional embodiment illustrated in Figs. 5 and 6, including the limitations that two sub accounts are separate and different, that both are "electronically read" from the presentation instrument and carrier, that each is associated with the debit account in a database, and that the "second account number when read from the carrier cannot be used to conduct transactions against the account." Such claim is believed distinguishable from the references.

Independent claim 32 recites the limitation that the account identifier on the presentation instrument and carrier are both "visible in the assembly when the presentation instrument is held for display by the carrier." Such feature makes claim 32 (and its dependent claims 33-35) distinguishable from **Kistner** and **Risafi**.

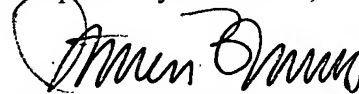
New dependent claim 36 (dependent on claim 1) recites the additional feature of "adhesive tape", which is described in paragraph 0025 of the Specification.

CONCLUSION

In view of the foregoing, Applicants believe all claims now pending in this Application are in condition for allowance. The issuance of a formal Notice of Allowance at an early date is respectfully requested.

If the Examiner believes a telephone conference would expedite prosecution of this application, please telephone the undersigned at 303-571-4000.

Respectfully submitted,



Stephen F. Jewett
Reg. No. 27,565

TOWNSEND and TOWNSEND and CREW LLP
Two Embarcadero Center, Eighth Floor
San Francisco, California 94111-3834
Tel: 303-571-4000
Fax: 415-576-0300
SFJ:bhr
60638971 v1